

WG163 Supply Chain Reporting and Invoicing Meeting

August 12, 2014

Welcome

Review Feedback received from last meeting

Uniqueness Issues : Current State vs Future State Proposed (Discussion)

elInduction Error Issues: Current State

Open Discussion

Next Meeting's Discussion Items

1. Invoices are planned to all go to eDoc Submitter for errors exceeding threshold, even when errors are out of their direct control.

1. The Current State:

A. Pros:

1. Common Invoicing process planned for all error types and programs
2. It's a baseline model and someplace to start
3. Thresholds can be adjusted to accommodate real world experience

B. Cons:

1. All errors and invoice go to eDoc Submitter even ones that are out of their control
2. Model will lead to extra costs for eDoc Submitter for chasing down errors and collections that are not theirs while placing their own businesses at financial risk
3. USPS will have a difficult time collecting invoice from responsible party and much wasted costs for industry and USPS researching disputes
4. Is this really addressing the true cost of poor quality of the error type to USPS with the responsible party?
5. Should we be talking postage or real cost of poor quality to USPS? ***What's fair?***
6. Doesn't address the complex Supply Chain realities that go into manufacturing the product that USPS finally accepts, processes, and delivers.
7. If Industry and USPS knew the answer to #5, maybe we wouldn't need a more comprehensive solution if the problem we are looking to solve is really not that costly

Does the 163 Solution proposed last week improve upon the current state for the Supply Chain?

Uniqueness Solution Proposal

VALID MID	Primary MID Owner (CRID)	Uniqueness Manager (UM) (CRID)	Comments
MID Container	nnnnnnnn	yyyyyyyy	If UM blank, then MID owns
MID Handling Unit	nnnnnnnn	yyyyyyyy	If UM blank, then MID owns
MID Piece	bbbbbbbb	rrrrrrrr	If UM blank, then MID owns

- **Primary MID Owner (CRID):** is previously provided to USPS for MID used in each barcode for Uniqueness validation. This is responsible party to inform USPS. This must be done prior to eDoc submission.
- **Uniqueness Manager (CRID) Definition:** is any party in the supply chain that may be managing uniqueness compliance for the container, HU, or piece

1. MID Owner for each MID used on a Piece, Handling Unit, or Container is responsible to identify Uniqueness Manager's CRID.
2. Uniqueness Manager needs to have access to update and correct MID references where they no longer have a relationship or responsibility as of a specific date.
3. Suggested data input for USPS reference data table on Business Customer Gateway, XML, or flat file import
4. If eDoc Submitter owns MID and manages uniqueness errors will show on their scorecard ONLY for Uniqueness errors where they are BOTH MID owner AND Uniqueness Manager subject to thresholds.
5. If MID owner is Mail owner and they manage uniqueness themselves as Uniqueness Manager internally, then they will receive a scorecard that flags only errors where they are identified as BOTH MID Owner AND Uniqueness Manager subject to thresholds.
6. Uniqueness Manager should receive their own scorecard subject to the same or different thresholds where they manage uniqueness. They should only see errors where they are referenced as Uniqueness Manager by MID Owner. Detailed drill downs will cite detail by MID, CRID and Job ID where errors can be disputed.
7. If the MID Owner fails to identify the Uniqueness Manager then the errors and any threshold exceeding errors will belong to the Primary MID Owner of the piece, Handling Unit, or Container, if not corrected and updated by the 5th day after calendar month ends.

1. There will be obvious concerns about:

- A. human error on data entry,
- B. change of suppliers without notification,
- C. cutover between supplier as to date, mailing, etc.
- D. Postage or invoice payment mechanism between USPS and Uniqueness Manager players if not a current permit /account holder
- E. Incorrect Uniqueness Manager identification

2. Everyone would have “skin in the game “ regarding quality

- A. Service Suppliers would all be measured by USPS and each have a scorecard
- B. Distribution , identification, and quicker troubleshooting possible on systemic issues that cross multiple eDoc Submitters especially on software issues

3. Will this Future State model as described from a rules perspective work for every other quality error?

- A. Each responsible party in the Supply Chain is only invoiced for the errors they control and own.
- B. There could be Pros and Cons to applying the same threshold logic with this model especially for smaller mailers or MSPs.
- C. Potential remedy maybe a declaration by eDoc Submitter on calendar year or monthly basis as to whether they prefer to be invoiced under current method or this new TBD Future State

- **USPS will attribute mis-shipped errors to the eDoc submitter**
 - Replaces plans to automatically attribute to Transportation Carriers or a Default CRID
 - % in error and threshold will be calculated for the eDoc Submitter CRID
- **The Mailer Scorecard Mail Quality Error Detail Report will include the Transportation Carrier/Appointment Scheduler data for mis-shipped containers**
 - Screen shots on next slide

- Mail Quality Error Detail Report**

eDoc Submitter		Transportation Carrier		Error Type	Error Code	# Errors
94539993	CHICAGO MAILER	12345678	SHAPIRO TRANSPORTATION	Appointment	E14	1
				Barcode Uniqueness	E45P	4
				Entry Facility	E29P	9
		87654321	ABC LOGISTICTS	Entry Facility	E4P	31
				Appointment	E14	231
				Postage	E11P	5
				Entry Facility	E29P	5

- May also be accessed by drilling from the new report eInduction Errors by Transportation Carrier and Job Drill**

eDoc Submitter		Transportation Carrier		Mailing Group ID	Customer Group ID	Job ID	User License Code	Mailing Date	Error Type	Error Code	# Errors
94539993	CHICAGO MAILER	12345678	SHAPIRO TRANSPORTATION	60545662		EIN00110	ZJSS	6/23/2014	Entry Facility	E29P	2
				60546065		EIN00403	ZJSS	6/23/2014	Entry Facility	E29P	2
				60586345		EIN01B02	ZJSS	6/23/2014	Entry Facility	E29P	1
				60588260		EIN00119	ZJSS	6/23/2014	Entry Facility	E29P	2
				60588336		EIN0012B	ZJSS	6/23/2014	Entry Facility	E29P	2

- Invoices will not be generated for eInduction errors after the August release
- Updated recommended eInduction thresholds based on analysis of mail quality for jobs with eInduction content from March 1 to May 31
- The following methodology was used to determine the new recommended eInduction thresholds
 - Randomly sampled 70% of mailer jobs with eInduction content
 - Removed outliers, then calculated the mean error percentage and standard deviation
 - Calculated the error percentage and one, two, and three standard deviations
- Recommended thresholds will be reviewed quarterly and when eInduction adoption reaches 50%, 75%, and 90%

Error	Current Error Threshold	Contact Threshold-Proposed	Egregious Threshold-Proposed
Duplicate	2%	0.17%	0.33%
Misshipped	2%	1.05%	2.00%
Payment	.1%	0.00%	0.00%
Zone	1%	0.01%	0.02%

	Duplicate	Misshipped	Payment	Zone
Mean	0.0147%	0.10%	0.00%	0.0004%
Std Dev	0.16%	0.95%	0.00%	0.01%
Mean + 1 Std Dev	0.17%	1.05%	0.00%	0.01%
Mean + 2 Std Dev	0.33%	2.00%	0.00%	0.02%
Mean + 3 Std Dev	0.49%	2.96%	0.00%	0.03%

Open Discussion

1. Review Action Items
2. Face to Face Meeting at MTAC- 11AM EST (8/19)
3. Questions?

If you would like to contact a specific Workgroup Leader, here are our emails:

- USPS Work Group Leads:
 - Randy Workman (randy.l.workman@usps.gov)
 - Bob Rosser (bob.rosser@iwco.com)